pp. F. IX-4

Previous References

1934.
(GA.)

File No. 139-34
Serial Nos. 1

Later References.

GA 139-34-10

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One

Part B for October

SUBJECT.

Issue of a new series of the 4.1. Loan of 1953-63 Loan in exchange for 5½ percent bonds 1938, 6¼ per Cent Loan 19 and 6½ per Cent Loan 1941-51

8(1)

A 3233 of 2.10.34

Note on file -

WD 01965—GPB—15,000—7-7-34

Annexures —

FIN
7
No.....

541 U.O. 472 Books dated 7th August 1934

In accordance with Government Order No.Fl.5245-6/G.F. 295-33-2 dated 6/7th March 1934, a sum of Rs 35 lakhs has been invested from the balance at the credit of the Mysore State Life Insurance Fund (Official Branch) in our New 4% 1958-68 Loan subject to the following conditions:-

(1) That the bonds will be made available for Policy holders (both in the Official and Public Branches) in lieu of bonus, at or near market rates, and are not intended for sale in the open market except with the special sanction of Government.

(2) That the difference, if any, between the rate of interest allowed on the Insurance Fund balance and the interest payable on the State Loan Bonds, viz., 4% will be paid by Government to the credit of State Life Insurance Fund on the bonds held by the Insurance Fund.

(3) That the profit, if any, realised by issuing these bonds to policy holders may be retained by the Fund.

(4) That Government will take back at any time, at par value, any bonds that are not taken by the policy holders, if so desired by the Insurance Committee.

2. The 4% Loan was floated in pursuance of a Policy to replace our short dated loans viz., 5½% 1938, 6½% 1940 and 6½% 1941-51 by one with a fairly long period of maturity and carrying as low a rate of interest as possible, and this was intended to arrest the outflow of cash that would be otherwise required for the discharge of the above loans on maturity in the not very distant future. The amounts of these loans still outstanding are noted below:-

5½% 1938	246 lakhs
6¼% 1940	108½ "
6½% 1941-51	25½ "
	380 lakhs

3. It is desirable to reduce the holdings of these short dated securities in the hands of the public as much as possible by conversion to the extent possible. I would, therefore propose to take back at par the 4% 1953-63 securities now held by the Insurance Fund and exchange them in small batches, through some recognised brokers in Bombay, Calcutta and Madras, for any of the short dated loans referred to above. Brokerage not exceeding one anna per cent may be allowed on such conversions.

4. The taking back of the securities from the Insurance Fund does not involve any outgoing of cash and does not therefore affect our Treasury Balances.

5. I have subjoined a statement showing the present values of saving in interest in respect of the three loans with reference to the redemption yield of the 4% Loan, and indicating the limits upto which we can go in fixing the cash bonus on this basis.

Yield of 4% bond (repayable in 1963) at 105% is 3.717

do do do at 106% is 3.662

	5½% 1938 (5.500%)	6¼% 1940 (6.250%)	6½% 1941-51 (6.500%)
Excess over 3.717	1.783	2.533	2.783
do 3.662	1.838	2.588	2.838

	No.of ½ years	Amount	No.of ½ years	Amount	No.of ½ years	Amount
Present value of the above excesses	8 1/16	6-11-5	12	13- 8-9	14 1/6	17-4-1
or 1-10-34 at 3.662 be Equivalant value of bonds to be con-		6-14-8		13-13-6		17-9-5
verted, if rate of 1953-63 bonds is 105		111-11-5		118- 8-9		122-4-1
106		112-14-8		119-13-6		123-9-5

But, the present market values of 5½%, 6¼% and 6½% bonds approximately are 110, 117 and 119 respectively. Taking the market quotation of 4% 1958-63 security at 106, the extra market values of securities to be got by conversion are Rs 4, Rs 11 and Rs 13 respectively. The present values of the interest saved viz., 1½% in the case of 5½ bond, 2¼% in the case of 6¼% bond and 2½% in the case of 6½% bond till the date of redemption of each are Rs 5-10-5, Rs 12-0-7 and Rs 15-8-3 respectively, and if the conversion is effected at the present market rates, there will be a gain of Rs 1-10-5, Rs 1-0-7 and Rs 2-8-3 for each 100 rupees bond converted.

Comptroller.

To

The Financial Secretary
to the Government of Mysore,
(with compliments)

CV

Serial No.

When we ~~raised~~ issued the 4% 1953-63 loan last year between 15th December 1933 and 15th March 1934, we had agreed to give the holders of 5½% Bonds 1938, 6¼% Loan 1940 and 6½% Loan 1941-51, new 4% Bonds to the extent of the face value of old securities offered for conversion plus a Cash Bonus equal to the present value of the difference between the rates of interest of the old and the new securities from 1-12-33 up to the date of maturity of the former. There was not good response to this conversion, since the holders of these bonds were able to sell them in the open market at rates higher than the cash bonus offered by us, and to purchase our new 4% bonds either by applying for Savings Bank 3¾% Fixed deposits and simultaneously converting the deposits into the new loan bonds, or by purchasing these new bonds in the open market at or near the par value, immediately after the Bonds were issued by us.

The position of the money market has since changed and our new 4% Loan bonds are being sold in the market at a premium of Rs 5 to 6 and more, while the rates of our old securities have not increased to the extent to which the price of the 4% Bonds has risen. The market prices of the several securities during last January when the new 4% Loan was on offer, the present market prices of these securities, the Cash bonus which we had agreed

WD 2165—GPB—500—27-5-32

Serial No.

-2-

agreed to pay last year and the Cash Bonus which we can pay now according to our original offer, taking into account the fact that interest at higher rates has been drawn on the old securities from 1st December 1933 up to now, are noted below:-

	Market price last year on 15-1-34.	Present market price on 10-8-1934.	Cash Bonus offered last year on 1-12-1933.	Difference in the rate of interest from 1-12-33 to 31-8-34 9 months.	Balance of Cash Bonus 3 - 4
	1	2	3	4	5
4% Loan 1953-63	100 to 100¼	105-14-0 to 106-14-0	-	-	-
5½% Bonds 1938	109 to 109-8-0	109 to 110	6-10-0	1-2-0	5-8-0
6¼% Loan 1940	115 to 115-12-0	116 to 117	13-5-0	1-11-0	11-10-0
6½% Loan 1941-51	116 to 117	118 to 119	16-8-0	1-14-0	14-10-0

The difference in the present market rate between the old and the new securities is -- Rs 3-2-0 to Rs 4-2-0 in the case of 5½% Bonds 19 Rs 10-2-0 to 11-2-0 in the case of 6¼% Loan 194 and Rs 12-2-0 to 13-2-0 in the case of 6½% Loan 1941-51, and this difference is much less than the Cash Bonus which we had agreed to pay when the new 4% Loan was raised.

In view of the present favourable rates in the market, I would suggest that we may off to issue new 4% Loan bonds in exchange for the

WD 2165—GPB—500—27-5-32

the old securities mentioned above, allowing some cash Bonus based on or very near the market rates. Such of the holders of our old securities who are desirous of exchanging them for our new long term securities will find it convenient to accept our offer instead of selling the old securities in the first instance and purchasing the new securities thereafter in the market. We will also not be losers but on the other hand there will be decrease in our interest and sinking fund charges.

No elaborate arrangements are necessary and it is sufficient if the Comptroller issues notices to the effect that the Mysore Goverrment are prepared to give 4% Bonds in exchange for the old 5½, 6¼, and 6½% Loan bonds, at rates to be fixed by him from time to time. The Comptroller may be asked to fix the rates for each fortnight with reference to the market rates with the approval of Goverrment. The rate will be calculated for the last day of the fortnight and will hold good for the entire fortnight so that the person applying on an earlier date will get the same amount of cash Bonus as the person applying on the last date. This will be an incentive for people to apply early. We may even offer 4 to 8 annas more than the market rates, so long as the rates offered are within the Cash Bonus which we had agreed to pay in the first instance deducting the extra interest for the period from 1-12-33 to the end

Serial No.

D... OFFICE
13 AUG 1934
No. 811

end of the fortnight under reference. A commission of one anna may also be allowed to recognised bankers and brokers for applications received through them. The person applying will get in addition accrued interest on the bonds at the old rates upto the last day of the fortnight under reference deducting therefrom accrued interest on the new 4% bonds upto the same date.

For the present, the required new scrips may be found by getting back from the Insurance fund, a portion of the 35 lakhs held by it. If the response to our offer is found to be appreciable we have to consider the advisabilit of issuing a new series of the 4% Loan. As the operation will be one of a pure conversion, ther will be no addition to our indebtedness or our cash balance. By making this offer, we do not lose anything and do not run any risk.

The rates of Cash Bonus which may be offered now and which will hold good till the end of this month may be as follows:-

5½% Bonds 1938	Rs 4-2-0
6¼% Loan 1940	10-8-0
6½% Loan 1941	13-0-0

I submit herewith a draft notice which might be issued by the Comptroller.

If approved, Comptroller ~~may~~ will be asked to take necessary action on these lines.

13-8-34

I. M. Member of Council for favour of opinion on the proposal.

13-8-34

OFFICE OF THE ... COUNCIL
First ...
14 JULY 1934
No. 1157

WD 2165—GPB—500—27-5-32

Secretary)

13-8-34

Serial No.

REVENUE OFFICE
21 AUG. 1934
No. G21x

OFFICE OF THE SECOND MEMBER OF COUNCIL.
16 AUG. 1934
NO. 1666

I think the proposal may be approved by
15/8/34
2nd Mr) 16/8.

16/8/34

I agree, though, looking at the slight appreciation of our 5½ 6¼ 6½% Securities since Jan' last, the holders may not be keen on conversion just at present.

As regards taking the 4% bonds from the Insurance fund cl (4) of the order of March 34 that Govt will take back if so desired by the Insurance Com^ee. I wd suggest a definite part of the 30 lakhs may be fixed & the Com^ee consulted.

Dewan
20/8

Mr
21-8-34

About 'A' action will be separately taken. In the meantime the file will be sent to the Comptroller for taking action as approved by the Dewan & Members of Govt. To The Comp^r with Compliments for favour of note and necessary action and return of papers

S. Shanmuga
22-8-34

A.

Dewan)

NOTE—Contn. Sheet.

WD 2165—GPB—500—27-5-32

App. F. III—2]

General and Revenue Secretariat | File No. of 193 .

Serial No.

U.O.No 666/S.L. Dated: 31st August 1934.

Upto end of 31-8-1934, the value of 6½,6½, & percent Bonds received for exchange of 4% Conversion Loan Bonds of 1953-63, is 36,000/8,~~00,700~~. I propose for this purpose that 4% Bonds of the face value of Rs. 10 lakh may be taken over from the stock of bonds outstandin under the Insurance Fund. The transaction will be treated as a purchase from the Insurance Fund and th cost of the bonds at par together with the accrued interest will, for the present, be debited to a Suspen head and credited to the Insurance Fund pending fina adjustment, after seeing whether we can meet the dema for exchange entirely ~~entries~~ out of the stock of 4% Bonds which the Insurance Committee could make available t us, or whether it is necessary for us to float a con- version loan. If the Insurance Committee is unable spare the 10 lakhs of 4% Bonds mentioned above, the bonds may be returned to the Insurance Fund, later on, when our regular conversion loan is floated. As the issue of 4% Bonds to the applicants can not be delayed, I have taken action to issue the bonds and request approval of Government to the same.

A. D. Raghavachari

Comptroller.

Yes

With a View to meet the demands of the insured persons and also o ther

NOTE—Contn. Sheet.

WD 02553—G PB—50,000—8 7 30

DEWAN'S OFFICE
1 SEPT. 1934
No. 1135

Eventualities, the Insurance Fund was allotted 35 lakhs worth of 4% bonds. The Comptroller's action in having utilised 10 lakhs out of this for the present for dealing with Conversion applications so far received in response to our new Conversion offer which amounts to over 8 1/3 lakhs, may be approved.

In the meantime the Insurance office may be asked to state what quantity they wish to keep - This quantity will be kept by them and the balance called back by post. If this is not Enough to meet the Conversion demands of the public a formal notification will have to be issued announcing the issue of a 3rd Series of the 4% bonds for Conversion only of the 5-1/2, 6 & 6 1/2% bonds.

2nd Asst to Dewan)

3/9

I quite agree

1/9

1-9-34

4.9.34.

OFFICE OF THE SECOND MEMBER OF GOVT.
1 SEPT. 1934
No. 1605

Serial No.

a formal letter to the Insurance Office was sent

The Second Member told me that the subject would be mentioned by him discussed at the next meeting of the Insurance Commi and that the file might be sent to him on or before date of the meeting. This file may be shown to the Secretary, Insurance Committee.

4/9.

4/9/34

Seen.

5.9.34

—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

File No. of 193 .

General and Revenue Secretariat

OFFICE
20 SEPT. 1934
No. 515

Serial No.

The latest progress report of the Comptroller shows that bonds to the extent of Rs 12,42,325 have so far been received for the issue of the 4% 1953-63 bonds in exchange. It is not known when the Insurance Committee will meet and what amount of the 4% Loan stock held by them will be transferred to Governmen As the applications so far received exceed the amoun of the bonds taken from the Insurance office, viz., Rs 10 lakhs, we may take from that office another fi lakhs for being used to the applicants.

As the response is found to be appreciable, we cannot be content with the quantity that we can get from the Insurance office. A new series of the Loan may, I think, be issued as already indicated in my note dated 13th August 1934. The Insurance office may be left with Rs 20 lakhs. But if they want more, such quantity may also be supplied.

The operation being one of a pure conversion, there will be no addition to our indebtedness or our cash balance. The effect of this is the same as the floatation of a 4% Conversion Loan in 1936.

A draft Notification and D.S.N. are put up for approval.

D E W A N.)

OFFICE OF THE
BOND MEMBER OF COUNCIL.
17 SEPT. 1934
No. 2007

OFFICE OF THE
FIRST MEMBER OF COUNCIL
20 SEPT. 1934
No. 2229

WD 01955—GPB—22,500—12-6-34

File No. of 193 .

General and Revenue Secretariat

Serial No.

Government order no 3L 3233 GF 139-34-1 dated 2nd October 1934 announces the issue of a new series of the 4% Loan 1953-63 Loan in exchange for 5½% Bonds-1938, 6¼% Loan 1940 & 6½% Loan 1944-51.

12

OB

1-12-34

tn. Sheet.

WD 01955—GPB—22,500—12-6-34

File No. of 193 .

General and Revenue Secretariat .

Submitted to His Highness.

These papers relate to the issue of the third series of the Mysore Government Four Percent 1953-63 Loan, for the conversion of the Mysore Government 5½% Bonds 1938, 6¼% Loan 1940, and 6½% Loan 1941-51. When we issued the 4% Loan 1953-63 loan last year between 15th December 1933 and 15th March 1934, we had agreed to give the holders of 5½% Bonds 1938, 6¼% Loan 1940, and 6½% Loan 1941-51, new 4% Bonds to the extent of the face value of the securities offered for conversion plus a cash bonus equal to the present value of the difference between the rates of interest of the old and the new securities from 1st December 1933 up to the date of maturity of the former. There was only moderate response to this conversion, since the holders of these bonds were able to sell them in the open market at rates higher than the cash bonus offered by us, and to purchase our new 4% bonds either by applying for Savings Bank 3¾ Fixed deposits and simultaneously converting the deposits into the new loan bonds, or by purchasing these new bonds in the open market at or near par value, immediately after the Bonds were issued by us.

The position of the money market has since changed and our new 4% Loans are being sold in the market at a premium of Rs.6 to 7 and more, while the rates of our old securities have not increased to the extent to which the price of the 4% Bonds has risen. In view of the present favourable rates in the market and the possibility of effecting conversion by paying a much smaller cash bonus than what we had agreed to pay last year, taking into account extra interest paid since 1st December 1933, the Comptroller was authorised to receive our 5½% Bonds 1938, 6¼% Loan 1940 and 6½% Loan 1941-51 and issue in exchange Four per cent 1953-63 loan bonds, the rates of cash bonus payable in addition being fixed once a fortnight with the approval of Government, utilising in the first instance bonds of the face value of Rs.10 lakhs (and now pro-

posed to be raised to Rs.15 lakhs) out of Rs.35 lakhs held on behalf of the Insurance Fund.

The Comptroller's latest progress report shows that bonds to the extent of Rs.12.90 lakhs have so far been receive for the issue of the 4% Bonds in exchange. The consent of the Insurance Committee is necessary to withdraw the stock held on behalf of the Insurance Fund and till the Committee meet it is not possible to know definitely the value of Bonds which can b transferred to Government by the Insurance Committee for the purpose referred to above. As the response to the present offer is found to be appreciable, we cannot depend entirely on the stock in the Insurance Office and it is therefore proposed to issue the third series of the 4% 1953-63 loan purely for th conversion of the three old securities referred to above. Thi does not in any way add to our indebtedness or to our cash balance. By making this offer, we do not lose anything and to the extent of the securities converted, there will be some gai in the shape of interest charges and the conversion of a short term indebtedness into a long term indebtedness bearing a lowe rate of interest.

The proposal has been agreed to by myself and the Members of Council and I solicit the gracious sanction of His Highness thereto.

Mirza M. Ismail

Bangalore,
21st September 1934.

D E W A N.

STATEMENT OF CASES SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA DURING THE TOUR OUTSIDE THE STATE IN September 1934.

Register No.	Subject	Orders of His Highness	Order regarding submission of files (*vide* foot-note)
160	Issue of the third series of the Mysore Government Four Per cent 1953-63 Loan for the conversion of the Mysore Government 5½ per cent Bonds 1938, 6¼ per cent Loan 1940 and 6½ per cent Loan 1941-51.	159 Submitted to His Highness Approved. Sd/- M. Shah 29/9/34 Chkd MS 1-10-34 RR 1/10.	C

NOTE.—The letter a, b or c may kindly be inserted by the Private Secretary to His Highness in the last column to indicate whether
File may be submitted at once .. .. a
File may be submitted after His Highness' return .. .. .. b
File may not be submitted at all c

Sec/Fe 160

General and Revenue Secretariat

Issue of the 3rd Series of the Mysore Govt 4% 1953-63 Loan for the Conversion of the Mysore Govt 5½ % Bonds 1938, 6¼ % Loan 1940, 6½ % Loan 1941-51

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Fin Department. Issue at once 4/10

Issued & returned to C/B. for circulation

2668/4/10

FIRST MEMBER OF COUNCIL. 4/10

2066 3/10

SECOND MEMBER OF COUNCIL. 3/10

Fin Secy, with Comps

NOTE.—Contn. sheet.

4/10/34.

4/10/34

F. 139-34-1

10 copies

NOTIFICATION.

Mysore Government Four Per Cent Conversion.
Loan 1953-63.
(Free of Incometax).

Fl 3233

Government are pleased to announce the issue of a new series of the four per cent 1953-63 Loan, which was issued in accordance with Notification No. Fl. 2373-8/C.F.172-33-2 dated 24th October 1933 in exchange for

(1) Mysore Government 5½% Bonds 1938
(2) Mysore Government 6¼% Loan 1940
and (3) Mysore Government 6½% Loan 1941-51

in accordance with the terms indicated in the Annexure to this Notification.

9/10/34

No 88

By Order,

1379

Financial Secretary to Covt.

To.
The Compiler, Mysore Gazette

Fl 3234 copy to the Comptroller to Govt with compliments.

Press Table.

Notification No.

Annexure.

1. 5½% Bonds 1938
2. 6¼% Loan 1940
3. 6½% Loan 1941-51.

The marginally noted securities of the Mysore Government will be received and Mysore Government Four Per Cent Tax - Free Conversion Loan Bonds of 1953-63 of the same Face Value will be issued in exchange according to the following terms:-

(1.) In addition to the 4 per cent Bonds, the holders of 5½, 6¼ and 6½ per cent Bonds will get a cash bonus, the amount of which will be fixed by the Comptroller from time to time, for a fortnight ordinarily, but which may be changed at any time by him and without notice.

(2.) The persons applying will in addition get accrued interest on the old bonds at the old rates up to the last day of the fortnight in which the applications are received in the Comptroller's office and for which the rates of cash bonus are also fixed, deducting therefrom accrued interest on the new 4 per cent Bonds up to the same date.

2. Applications for conversion should be addressed to the Comptroller, Mysore Government, Bangalore, stating clearly the amount and the description of securities required, the full name and address of the applicant and the Bank, Treasury, or Sub Treasury (in Mysore) at which interest on the new bonds is required to be paid.

3. Tenderers of securities for conversion must transfer such securities to the Government of Mysore (a) in the case of Stock by signing the form of transfer deed on the back of the Stock certificate

before a witness and (b) in the case of Promissory notes by endorsing them with the words "Pay to the Comptroller, Mysore Government", over their signatures.

4. New Bonds and the cheques or demand drafts for the cash bonus and interest will be arranged to be sent by the Comptroller.

5. Brokerage will be paid at the rate of 1/16th per cent. to recognised brokers and bankers on applications received through them.

6. This scheme of conversion is liable to be stopped or varied at any time without notice.

FINANCIAL SECRETARIAT

No. Fl. 3233—*G. F.* 139-34-1, *dated 2nd October* 1934.

Mysore Government Four Per Cent Conversion Loan 1953-63 Free of Income Tax.

Government are pleased to announce the issue of a new series of the four per cent 1953-63 Loan, which was issued in accordance with Notification No. Fl. 2373-8—G. F. 172-33-2, dated 24th October 1933 in exchange for

(1) Mysore Government 5½ per cent Bonds 1938;
(2) Mysore Government 6¼ per cent Loan 1940; and
(3) Mysore Government 6½ per cent Loan 1941-51

in accordance with the terms indicated in the Annexure to this Notification.

By Order,

S. SHAMANNA,
Financial Secretary to Government.

ANNEXURE.

1. 5½% Bonds 1938
2. 6¼% Loan 1940
3. 6½% Loan 1941-1951.

The marginally noted securities of the Mysore Government will be received and Mysore Government Four Per Cent Tax-free Conversion Loan Bonds of 1953-63 of the same Face Value will be issued in exchange according to the following terms :—

(1) In addition to the four per cent Bonds, the holders of 5½, 6¼ and 6½ per cent Bonds will get a cash bonus, the amount of which will be fixed by the Comptroller from time to time, for a fortnight ordinarily, but which may be changed at any time by him and without notice.

(2) (*i*) The persons applying will in addition get accrued interest on the old bonds at the old rates up to the last day of the fortnight in which the applications are received in the Comptroller's Office and for which the rates of cash bonus are also fixed, deducting therefrom accrued interest on the new four per cent Bonds up to the same date.

(*ii*) Applications for conversion should be addressed to the Comptroller, Mysore Government, Bangalore, stating clearly the amount and the description of securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury (in Mysore) at which interest on the new bonds is required to be paid.

3. Tenderers of securities for conversion must transfer such securities to the Government of Mysore (*a*) in the case of Stock by signing the form of transfer deed on the back of the Stock Certificate before a witness, and (*b*) in the case of Promissory Notes by endorsing them with the words "Pay to the Comptroller, Mysore Government", over their signature.

4. New Bonds and the Cheques or Demand drafts for the cash bonus and interest will be arranged to be sent by the Comptroller.

5. Brokerage will be paid at the rate of 1/16th per cent to recognised brokers and bankers on applications received through them.

6. This scheme of conversion is liable to be stopped or varied at any time without notice.

FINANCIAL SECRETARIAT

No. Fl. 3233—*G. F.* 139-34-1, *dated 2nd October* 1934.

Mysore Government Four Per Cent Conversion Loan 1953-63 Free of Income Tax.

Government are pleased to announce the issue of a new series of the four per cent 1953-63 Loan, which was issued in accordance with Notification No. Fl. 2373-8—G. F. 172-33-2, dated 24th October 1933 in exchange for

(1) Mysore Government 5½ per cent Bonds 1938;
(2) Mysore Government 6¼ per cent Loan 1940; and
(3) Mysore Government 6½ per cent Loan 1941-51

in accordance with the terms indicated in the Annexure to this Notification.

By Order,

S. SHAMANNA,
Financial Secretary to Government.

ANNEXURE.

1. 5½% Bonds 1938
2. 6¼% Loan 1940
3. 6½% Loan 1941-1951.

The marginally noted securities of the Mysore Government will be received and Mysore Government Four Per Cent Tax-free Conversion Loan Bonds of 1953-63 of the same Face Value will be issued in exchange according to the following terms :—

(1) In addition to the four per cent Bonds, the holders of 5½, 6¼ and 6½ per cent Bonds will get a cash bonus, the amount of which will be fixed by the Comptroller from time to time, for a fortnight ordinarily, but which may be changed at any time by him and without notice.

(2) (*i*) The persons applying will in addition get accrued interest on the old bonds at the old rates up to the last day of the fortnight in which the applications are received in the Comptroller's Office and for which the rates of cash bonus are also fixed, deducting therefrom accrued interest on the new four per cent Bonds up to the same date.

(*ii*) Applications for conversion should be addressed to the Comptroller, Mysore Government, Bangalore, stating clearly the amount and the description of securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury (in Mysore) at which interest on the new bonds is required to be paid.

3. Tenderers of securities for conversion must transfer such securities to the Government of Mysore (*a*) in the case of Stock by signing the form of transfer deed on the back of the Stock Certificate before a witness, and (*b*) in the case of Promissory Notes by endorsing them with the words "Pay to the Comptroller, Mysore Government", over their signature.

4. New Bonds and the Cheques or Demand drafts for the cash bonus and interest will be arranged to be sent by the Comptroller.

5. Brokerage will be paid at the rate of 1/16th per cent to recognised brokers and bankers on applications received through them.

6. This scheme of conversion is liable to be stopped or varied at any time without notice.